

**Falls Church Housing Commission  
Public Hearing - CDBG/HOME Grants  
Mary Riley Styles Library  
Minutes**

**Tuesday, October 9, 2007**

**Commission Member Present:** Eric Timar, Don Brobst, M.T. Gutmanis

**Absent:** Joe Bodner, Catherine Findlay

**Staff:** Dana Lewis, Susan Richter

**Call to Order:** The meeting was called to order at 7:05 pm by Eric Timar, Vice Chairman.

**Approval of Minutes:** Minutes of September 11, 2007, were approved. Eric Timar moved to approve the minutes and it was seconded by M.T. Gutmanis.

**New Business:**

- The updated ADU prices/rents list was approved. It incorporated additional wording regarding occupancy of efficiencies. A motion was made by Eric Timar to approve this change. It was seconded by M.T. Gutmanis.
- A memo was written by the Commission commenting on the Affordable Housing Fund that \$92,500 be approved to spend from the Affordable Housing Fund for predevelopment of City Center South. A motion was made to approve this by Eric Timar and was seconded by Don Brobst.

**Public Hearing: Presentation of four CDBG proposals and one HOME proposal.**

**1. Mount Daniel Family Literacy Program (formerly Even Start) - Request \$4,100**

Presenter: Kathleen Halayko, Principal, Mount Daniel Elementary School

The program serves at-risks residents of the City of Falls Church. These risk factors include low-incomes, homelessness, adult illiteracy or being an English language learner. This program combines early childhood education, adult literacy education, ESL, job preparation and parent/child together time.

The program has been receiving CDBG funds for the past five years through a grant from the Virginia Department of Education. This funding was discontinued a year ago. The School Board, at that time, also recognized the urgent need this program served and picked up the program funding.

Over the years the program has served 36 children from birth up to third grades at TJ Elementary School. It has also helped participating family members become full partners in their child's literacy development.

The Family Literacy Program is a component of the program. Within this program, the skills parents learn in adult education can be applied to their home life as well as on the job. They build the adult's educational and employment skills, as well as problem solving and interpersonal skills. This program is offered in three evening

classes a week and this year they will begin a once a month program called Family Literacy Night and will offer activities to children.

This year they are requesting funds to support the child care component of the program so that they may continue to offer the evening adult education and ESL classes. These classes are reaching more families since child care is being provided while the adults are learning. The adult classes help families expand their learning through the adult education classes and enable them to be better prepared to enter the work force secure higher paying positions, and develop economic self-sufficiency. In their last invoice City staff authorized a CDBG payment for child care.

*Questions from Commissioners:*

*What was the number of participants reached in the past year?* More than 18-20 participants came to classes. Currently 12 are enrolled, six are on a waiting list and on any given night we have ten to 15 adults. Sometimes the extended families participate in the program.

*What differences have you noticed in the school?* Participants bring others with them to the program.

*Do you see families graduate out of this program.* Once the children leave TJ they have less contact with them. There are other programs they can access once they leave TJ.

*Sounds like a successful program.* Yes it is.

**2. Tenant Based Rental Assistance Program (TBRA) - Request \$15,000 CDBG and \$47,577 HOME.**

Presenter: Kevin Denton, Housing Specialist, HHS

The program provides rental assistance to households with low-incomes who are living or working in the City and who are paying more than 30% of their monthly income to rent. Priorities for assistance are given to City residents, people working in the City, persons age 62 or older, persons with disabilities, and households with children. The program runs for 18 months and serves as a bridge program for households to enable them to stabilize and provide secure permanent affordable housing.

In FY2006 seven families were assisted and in FY2007 six families were assisted. The average rent payment was \$759 per household for 18 months. In FY2009 we hope to assist ten families.

*Questions from Commissioners:*

*What is the percent of residents that remain in the same rental unit?* Last year three families were not able to remain in the City due to cost; one resident purchased a home. During the recertification period, two families were no longer eligible since

their income was over the income limits for the program, but they remained living in the City,

*Does the same policy as before apply? Also are participants not able to repeat receiving assistant in the program?* Yes, participants are enrolled in the program for 18 months and are recertified in the 12<sup>th</sup> month of participation.

*Do you still work with the social worker?* Yes, but it is not mandated. They do receive housing counseling and receive other assistance as needed.

**3. First Time Homebuyers Down Payment and Closing Cost Assistance Program- Request: \$45,000**

Presenter: Kevin Denton, Housing Specialist, HHS

Before beginning with the presentation, he made note of some changes. 1) Program Performance Worksheet under Outcomes – Availability/Accessibility the loan amounts shall not exceed \$25,000 per household should read “should not exceed \$20,000 per household”, 2) Attachment C – Supplemental Budget Form under question I.. Statement states “the City has three (4) programs”.... should read “the City has four (4) programs”; 3) same attachment under question V. reads “amount of assistance of \$25,000 that can be provided” should read: “amount of assistance of \$20,000 that can be provided”.

The program provides deferred payment loans to income-eligible first-time homebuyers for their down payment and closing costs. Purchasers are provided with up to \$20,000 for assistance with down payments. The assistance is structured as a second trust with zero interest loans with a deferred payment to be repaid at the sale of the home. Buyers are required to contribute a minimum of \$2,000 toward the closing costs. The repayment to the City is an amount that is equal to the proportion of the original loan to the original sale price. Example: a loan of \$20,000 is equal to 10% of a purchase price of \$200,000. If the owner sells the property for \$300,000 the amount paid to the City is 10% of the sale price \$30,000.

At the end of this year we anticipate eight ADU units for sale at the Spectrum..

*Questions from Commissioners:*

*How is resale funds accounted for in the system?* To date we have not had any resale’s that have used funds from CDBG.

*What is the City’s future plan for resale?* Funds will be accounted for in a separate account. They funds will not be used for other projects/items other than ADUs.

*Will the program be self-sufficient and when?* Dana responded yes. The funds go back to the City ADU program. Also the agreement with Arlington states the funds are to go back into the system for ADU use only. These funds are not available for other programs.

Commissioner Brobst stated we need a well defined plan for the reuse of the funds.

*What are the number of loans that have been given out?* Twelve – fifteen loans have been given out to date. We have only used the funds for two first time homebuyers that purchased an older home that was not an ADU unit. All the other funds were used for ADU units.

*Is there a plan to use old money? Can the new money be carried over?* This is the first time we have carried over funds from a previous year. Yes we will use the old money first.

#### **4. Achieve Your Dream – Request - \$10,000**

Presenter: Karen Serfis, Executive Director, Arlington Homeownership Made Easier, Inc. (AHOME)

This is the third year AHOME has requested CDBG funds for this program. The program provides VHDA homebuyer education classes, homeownership counseling and financial literacy classes to first time homebuyers. This program is required by the City for anyone participating in the City ADU program and the program serves low-and moderate income households in the City

They have been providing the training in Arlington for twelve years. They have a part time Housing specialist who is Spanish speaking, that is able to assist with the program. The classes are currently held once a month in Arlington and anyone can attend these classes. Currently we have two class schedules, one in October and one in December, in the City. They will be held at the Winter Hill Club House. A certificate of completion is issued at the end of the class.

Beside classes, last year AHOME was able to offer financial literacy classes using Freddie Mac's Credit Scoring program. This enabled us to run a "soft credit" check of a person that is ready to apply for a loan. It helps us and the client access if they need more counseling and what is the next step for each client, in the process. Most of the participants that have taken the class (about 90%) have good credit. We encourage the participants to participate in the City's ADU lottery.

*Questions from Commissioners:*

*Is this a certified class?* Yes, participants are taught by a certified instructor, which is required.

*Last year you stated anyone could take the class. Is there any research done on those taking the class?* No, not really. In the October class, to date everyone is from Falls Church.

*Is there a minimum number of participants that need to register to conduct the classes?* No, normally we have anywhere from 13-15 people in attendance. A lot of people wait until the last minute to sign up or they just show up. We never turn anyone away unless they are real late for the program.

*How successful is the program?* We have found that 20% of the participants have purchased a home.

*Do you do follow-up with the participants?* No post purchase follow-up is done. To date in the City and Arlington we have had no foreclosures from anyone that has taken in the class.

Commissioner Brobst stated it would be interesting, in the long-term, for a study of what happens to the participants that complete the class.

*How are funds raised for the program?* We receive a large sum of money from Freddie Mac. In November/December of this year, we will have an audit completed. and then we will be able to do some foundation fund raising for program activities.

Commissioner Timar commented that it was nice to see the President of AHOME list himself on the proposal as a contact.

*What is the number of people on the Board of Directors?* There are nine members.

#### **End of proposals.**

Commissioner Brobst asked if we still have a soft copy of his ranking sheet from last year and we responded we didn't. He would look to see if he had it and will forward it. Staff Lewis told the group that our next meeting is next Tuesday October 16<sup>th</sup> for our second CDBG public hearing.

**The public hearing was adjourned at 8:25 pm.**

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